Risk Management

**What is risk management?**

Risk management is the deliberate plan for the reduction of events and behaviors that could cause harm. Simply put, risk management means demonstrating concern for the safety of participants. On a higher level, risk management means making sure that the organization's liability is minimized by taking every precaution through the anticipation of potential problems.

**Why is risk management important?**

All of a student organization's activities carry some risk, though obviously some carry more than others. Organizations must learn to identify and reduce risk behavior. While you are thinking about the risk associated with certain activities, also consider how the activity relates to the mission of the organization.

The activities and behaviors you engage in have implications, and the organization may be held responsible for harm to members or others.

Consequences of negative or harmful actions and behaviors may include disciplinary actions, or even legal actions brought against the organization by injured parties.

**Are there different types of risk?**

When considering risk management, physical risks certainly come to mind, but there are other types of risks that need to be considered. These include emotional, financial, and reputational risks, as well as risks to facilities or property.

**Physical Risk:**

- Includes bodily injury that occurs due to the participation in an activity or event
- It includes things that can hurt you
- It also includes how things like food, alcohol, dangerous environmental conditions, etc. can cause harm or injury.
- Examples include: a student in attendance at an event breaks a leg when they slip in a spill on the dance floor

**Emotional Risk:**

- Includes feelings of marginalization, discrimination, or trauma due to the content or nature of an event
  - Individuals may be put at an emotional risk after an event has ended based on media coverage or anecdotal reports
  - Examples include: a speaker who is invited to campus goes off script and starts making crude jokes about his female co-workers

**Financial Risk:**

- Can include not making sure the organization has sufficient funds for paying for planned events, or not spending responsibly in general
- The organization is also at financial risk if not keeping accurate records and being transparent about how funds are spent
- Examples include: an organization plans a large event but does not make enough from ticket sales to pay their associated expenses for the event

**Reputational Risk:**

- Includes incidents that result in negative publicity for the student organization, its members, its advisor(s), and/or the institution
- Reputational risks can occur after an event ends through media reporting
- Examples include: an organization hosts a speaker and then does not pay them the contracted amount, resulting in bad publicity when the speaker blasts the group and institution on social media

**Risk to Facilities:**

- Includes things such as damage caused to a venue or surrounding environment during the event, or dangers associated with the venue including poor upkeep, lack of space, or inclement weather
- Make sure the space you’ve chosen is safe (and appropriate) for your event
- Examples include: a group brings minors to campus for conference, and the group damages the building

**Are there ways to assess and mitigate risk?**
Yes, there are ways to assess and mitigate risk. These include assessment tools such as a risk matrix, as well as intentional planning and the setting of expectations for members. Ensuring that your organization’s governing documents address situations that may arise such as removing a member and ensuring due process are also ways to mitigate possible risk. Waivers and insurance are other ways to mitigate risk.

**Risk Matrix:** A risk matrix can be found at the bottom of this page. It is an educational tool that can assist in identifying and discussing potential risk issues. This form is intended for use as part of a larger event-planning discussion on risk management.

**Waivers:** The purpose of a waiver is to protect the sponsor of an activity or event from legal liability if injury, loss or damage occurs as a result of the activity or event. By signing a waiver, participants agree that they are aware of the risks of the activity or event and further agree that they will not hold the sponsor of the event (or any of the individuals acting on behalf of the sponsor) legally responsible for any harm that occurs while attending or participating in the event. Waivers do not guarantee protection from legal liability, but are considered a good practice when holding an event. For more information and assistance with waivers, contact Carolina Student Legal Services at 919-962-1303 or csls@unc.edu [1].

**Insurance:** Purchasing insurance is another way to manage risk for events and activities. Registered student organizations are not covered by the university’s insurance, so groups are responsible for purchasing this coverage themselves. If you have questions about insurance, contact Student Life & Leadership (919-962-1157, studentorgs@unc.edu [2]).

As you plan your events, make sure you are considering risk. For more information on risk management, contact Carolina Student Legal Services (919-962-1303, csls@unc.edu [1]) or Student Life & Leadership (919-962-1157, studentorgs@unc.edu [2]).

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**Links**
[1] mailto:csls@unc.edu
[2] mailto:studentorgs@unc.edu